

JEFFERSON COUNTY, WASHINGTON
January 1, 1994 Through December 31, 1994

Schedule Of Findings

1. Jefferson County District Court Officials Should Maintain Accurate Control Accounts Over Accounts Receivable And Cash Collections

Jefferson County District Court officials do not maintain accurate control accounts summarizing the accounts receivable due. The accounts receivable detail reports produced by the district court's computerized accounting/information system (DISCIS) does not balance to the court's summary ledger. The DISCIS accounting system is prescribed by the Washington State Office of Administrator for the Courts (OAC).

In the OAC audit report, it was noted that the accounts receivable does not reconcile with the detail reports. OAC responded to the audit report by stating that they are updating the user documentation to include the procedural steps for achieving a billed receivables reconciliation.

There is not an adequate segregation of duties or compensating controls between the collection of cash and adjustments to the accounts receivable. The administrator, court cashiers, and a probation officer have access to cash, and are able to make adjustments to the accounts receivable. Also, there is no evidence that adjustments made to the accounts receivable are authorized, approved or reviewed on a timely basis.

Lack of adequate summary ledger control and uncontrolled access to adjustments to accounts receivables balances lends itself to potential abuse and nondetection of errors, omissions, and fraud. Consequently, we consider the absence of accurate control accounts coupled with an inadequate segregation of duties a significant weakness in the accounts receivable.

We recommend district court officials:

- a. Implement and follow controls to ensure that all adjustments made to the accounts receivable are properly approved and posted and that errors are detected and corrected in a timely manner.
- b. Reconcile the cash collections, revenue, and subsidiary records to the court summary ledger accounts receivable control account.
- c. Implement controls to ensure a segregation of duties between cash collections, postings, and adjustments to the accounts receivable.